Grain Transportation Report

A weekly publication of the
Transportation and Marketing Programs/Transportation Services Branch
www.ams.usda.gov/tmdtsb/grain

Dec. 9, 2004

Contents

The next release is Dec. 16, ’04

Dec. 15, '04	U.S. Grains Council Board of Directors Meeting	Cancun, MX	202-789-0789
Jan. 5-6, '05	Illinois Crop Protection Technology Conference	Urbana, IL	217-333-2880
Jan. 9-12, '05	American Farm Bureau 86th Convention and Annual Meeting	Charlotte, NC	202-406-3600
Jan. 17-20, '05	74th International Association of Seed Crushers (IASC) World Congress	Mumbai, India	info@iasc2005.com
Jan. 31-Feb. 1, '05	Association of American Railroads (AAR) Railway Security Forum & Expo	Washington, DC	212-620-7209
Feb. 1-2, '05	Marine Log: Maritime and Port Security	Washington, DC	202-872-1500
Feb. 6-8, '05	U.S. Grains Council 45th Annual Membership Meeting	Huntington Beach, CA	202-789-0789
Feb. 8-10, '05	World Ag Expo	Tulare, CA	800-999-9186
Feb. 24-25, '05	Agricultural Outlook Forum 2005	Arlington, VA	877-744-3083
Feb. 26-Mar. 1, '05	Grain Elevator & Processing Society (GEAPS) 76th Annual Exchange	Albuquerque, NM	612-339-4625
Mar. 6-9, '05	68th Annual American Trucking Association (ATA) Convention	Las Vegas, NV	703-838-1950
Mar. 7-11, '05	American Feed Industry Association Spring Forum	Las Vegas, NV	703-524-0810
Mar. 21-22, '05	National Industrial Transportation League (NITL): Ocean Contracting for the 21st Century…	Anaheim, CA	703-524-5011
Mar. 30-Apr.1, '05	National Grain and Feed Association (NGFA) 109th Annual Convention	San Diego, CA	202-289-0873 info@ngfa.org
Apr. 7-8, '05	Joint GAFTA/UGA Kiev International Grain Conference	Kiev, Ukraine	www.gafta.com
May 22-24. '05	North American Rail Shippers Association Annual Meeting	San Francisco, CA	800-697-3103

Grain Transportation Indicators

Table 1--Grain transport cost indicators*

	Truck	Rail	Barge	Ocean	
Week ending				Gulf	Pacific
12/08/04	139	355	136	311	345
Compared with last week	↓	↑	↑	↓	↓

*Indicator: Base year 2000 = 100; Weekly updates include truck = diesel ($/gallon); rail = nearby secondary rail market ($/car); barge = spot Illinois River basis (index = percent of tariff rate); and ocean = routes to Japan ($/metric ton)

Source: Transportation & Marketing Programs/AMS/USDA

Table 2--Market update: U.S. origins to export position price spreads ($/bushel)

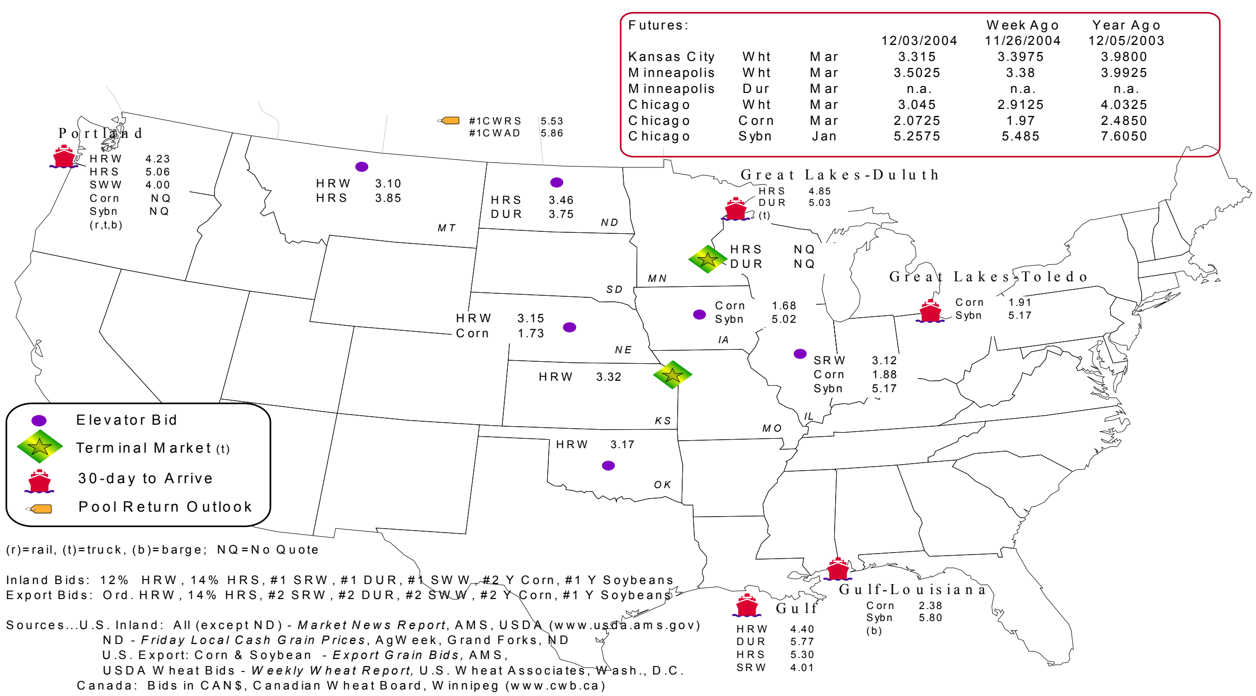
Commodity	Origin--destination	12/3/2004	11/26/2004
Corn	IL--Gulf	-0.50	-0.53
Corn	NE--Gulf	-0.65	-0.65
Soybean	IA--Gulf	-0.78	-0.78
HRW	KS--Gulf	-1.08	n/a
HRS	ND--Portland	-1.60	n/a

Note: nq = no quote

Source: Transportation & Marketing Programs/AMS/USDA

The **grain bid summary** illustrates the market relationships for commodities. Positive and negative adjustments in differential between terminal and futures markets, and the relationship to inland market points, are indicators of changes in fundamental market supply and demand. The map may be used to monitor market and time differentials.

Figure 1
Grain bid summary



Rail Transportation

Table 3--Rail deliveries to port (carloads)*

Week ending	Mississippi Gulf	Texas Gulf	Cross-Border Mexico	Pacific Northwest	Atlantic & East Gulf	Total
12/01/2004 p	302	1,460	2,038	4,090	496	8,386
11/24/2004 r	329	1,439	2,271	4,747	331	9,117
2004 YTD	9,825	86,294	59,506	192,260	9,393	357,278
2003 YTD	14,314	79,671	42,574	142,963	18,159	297,681
2004 as % of 2003	69	108	140	134	52	120
Total 2003**	14,843	88,194	48,805	157,125	20,509	329,476
Total 2002	12,247	83,969	40,867	110,471	20,938	268,492

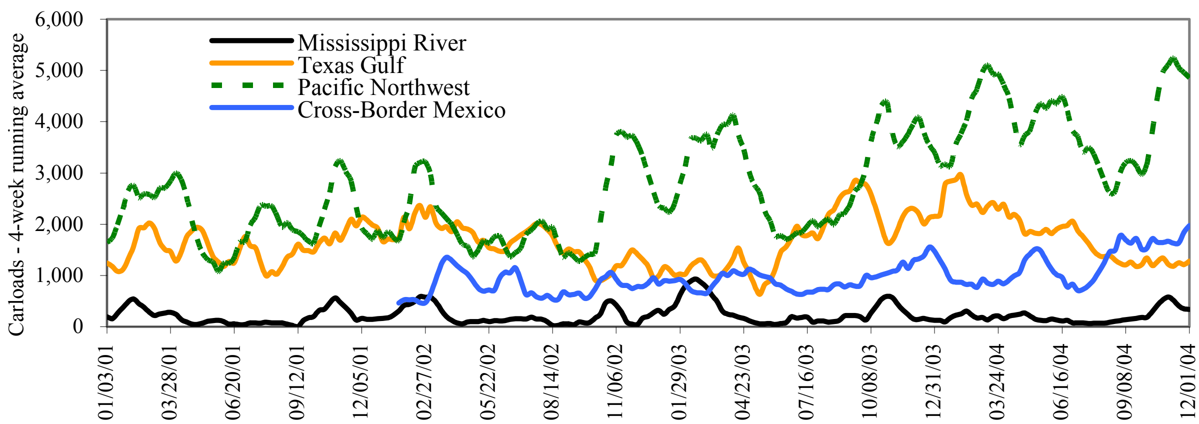
(*) Incomplete Data, as of 9/22/04, Cross-Border movements included; (**) Excludes 53rd week;YTD = year-to-date; p = preliminary data; r = revised data

Source: Transportation & Marketing Programs/AMS/USDA

Railroads originate approximately 40 percent of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

Figure 2

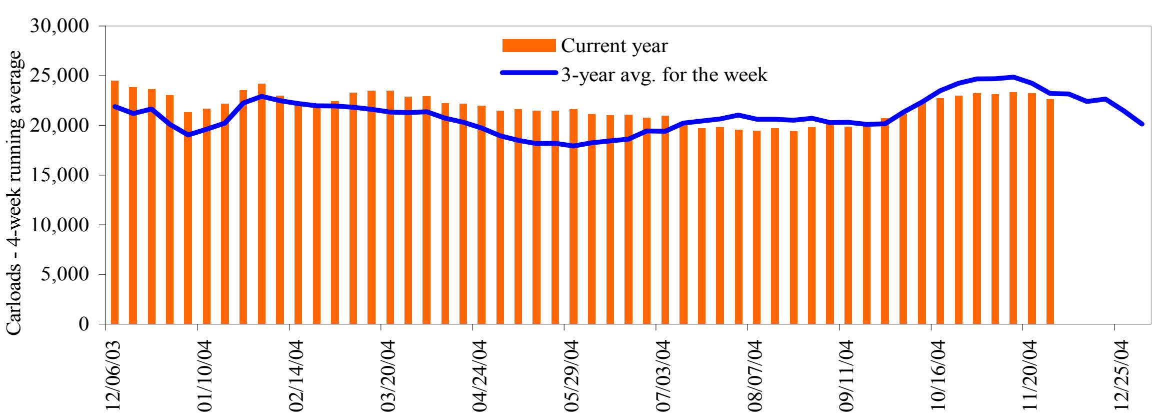
Rail deliveries to port



Source: Transportation & Marketing Programs/AMS/USDA

Figure 3

Total weekly U.S. grain car loadings for Class I railroads



Source: Association of American Railroads

Table 4--Class I rail carrier grain car bulletin (grain carloads originated)

	East		West			U.S. total	Canada	
Week ending	CSXT	NS	BNSF	KCS	UP		CN	CP
11/27/04	2,144	3,185	8,908	215	5,964	20,416	5,214	5,210
This week last year	2,324	3,077	8,869	716	5,525	20,511	4,825	4,264
2004 YTD	129,030	154,152	414,315	25,034	300,177	1,022,708	214,524	189,882
2003 YTD	131,691	154,586	371,740	21,328	304,187	983,532	175,784	178,579
2004 as % of 2003	98	100	111	117	99	104	122	106
Total 2003*	146,395	171,260	416,371	24,506	336,079	1,094,611	197,993	198,185

Source: Association of American Railroads (www.aar.org); YTD = year-to-date; * Excludes 53rd week

Table 5--Rail car auction offerings, week ending 12/4/04 ($/car)*

Delivery for:	Jan. 05	Feb. 05	Mar. 05
BNSF[1]			
COT/N. grain	no offer	$195	$38
COT/S. grain	no offer	$127	$119
UP[2]			
GCAS/Region 1	no offer	no offer	no offer
GCAS/Region 2	no offer	$252	no offer

*Average premium/discount to tariff, last auction

[1]BNSF - COT = Certificate of Transportation

N includes: ID, MN, MT, ND, OR, SD, WA, WI, WY, and Manitoba, Canada.

S includes: CO, IA, IL, KS, MO, NE, OK, TX, NM, AZ, CA, UT, and NV.

[2]UP - GCAS = Grain Car Allocation System

Region 1 includes: AR, IL, LA, MO, NM, OK, TX, WI, and Duluth, MN.

Region 2 includes: CO, IA, KS, MN, NE, WY, and Kansas City and St. Joseph, MO.

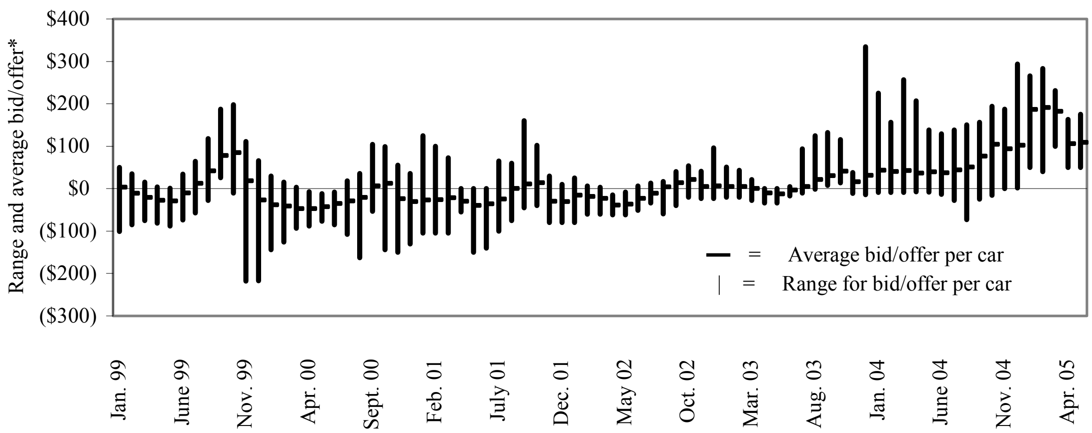
Source: Transportation & Marketing Programs/AMS/USDA

Rail service may be ordered directly from the railroad via **auction** for guaranteed service or tariff for nonguaranteed service or through the secondary market.

The **secondary rail market** information reflects trade values for service that was originally purchased from the railroad carrier as some form of guaranteed freight. The **auction and secondary rail** values are indicators of rail service quality and demand/supply.

Figure 4

Secondary rail car market, delivery month-year



*up to 6 months of trading

Source: Transportation & Marketing Programs/AMS/USDA

Average bid/offer is the simple average of all the weekly bids/offers over the entire period (up to 6 months) for guaranteed railcars that are traded for delivery in a particular month.

Range for bid/offer shows the range of average weekly bids/offers over the entire period (up to 6 months) for guaranteed railcars that are traded for delivery in a particular month.

Table 6--Weekly secondary rail car market, week ending 12/3/04 ($/car)*

	Delivery period			
	Jan. 05	**Feb. 05**	**Mar. 05**	**Apr. 05**
BNSF-GF	$250	$175	$158	$75
Change from last week	$33	$8	$8	$0
UP-Pool	$269	$272	$233	$158
Change from last week	$3	-$3	$5	$0

*Average premium/discount to tariff, $/car-last week

Note: Bids listed are market INDICATORS only & are NOT guaranteed prices,
Missing value = no bid quoted; GF = guaranteed freight; Pool = guaranteed pool

Sources: Transportation and Marketing Programs/AMS/USDA

Data from Atwood/ConAgra, Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.

Table 7--Tariff rail rates for unit and shuttle train shipments*

Effective date: 12/6/2004	**Origin**	**Destination**	**Rate/car**	**Rate/metric ton**	**Rate/bushel****
Unit train*					
Wheat	Minneapolis, MN	Houston, TX	$2,120	$23.37	$0.64
	Kansas City, MO	Galveston, TX	$1,920	$21.16	$0.58
	Minneapolis, MN	Portland, OR	$4,148	$45.72	$1.24
	St. Louis, MO	Houston, TX	$2,145	$23.64	$0.64
	Kansas City, MO	Laredo, TX	$2,380	$26.23	$0.71
	Chicago, IL	Albany, NY	$1,834	$20.22	$0.55
	Chicago, IL	Richmond, VA	$2,002	$22.07	$0.60
Corn	Minneapolis, MN	Portland, OR	$3,600	$39.68	$1.01
	Chicago, IL	Baton Rouge, LA	not available	$0.00	$0.00
	Council Bluffs, IA	Baton Rouge, LA	$2,270	$25.02	$0.64
	Evansville, IN	Raleigh, NC	$1,791	$19.74	$0.50
	Council Bluffs, IA	Stockton, CA	$3,606	$39.75	$1.01
	Kansas City, MO	Dalhart, TX	$1,965	$21.66	$0.55
	Columbus, OH	Raleigh, NC	$1,700	$18.74	$0.48
	Des Moines, IA	Laredo, TX	not available	$0.00	$0.00
Soybeans	Minneapolis, MN	Portland, OR	$3,610	$39.79	$1.08
	Chicago, IL	Baton Rouge, LA	not available	$0.00	$0.00
	Council Bluffs, IA	Baton Rouge, LA	not available	$0.00	$0.00
	Des Moines, IA	Laredo, TX	not available	$0.00	$0.00
	Evansville, IN	Raleigh, NC	$1,791	$19.74	$0.54
	Chicago, IL	Raleigh, NC	$2,391	$26.36	$0.72
Shuttle Train*					
Wheat	St. Louis, MO	Houston, TX	$1,895	$20.89	$0.57
	Minneapolis, MN	Portland, OR	$3,993	$44.01	$1.20
Corn	Fremont, NE	Houston, TX	$2,665	$29.38	$0.75
	Minneapolis, MN	Portland, OR	$3,450	$38.03	$0.97
Soybeans	Council Bluffs, IA	Houston, TX	$2,605	$28.71	$0.73
	Minneapolis, MN	Portland, OR	$3,410	$37.59	$0.95

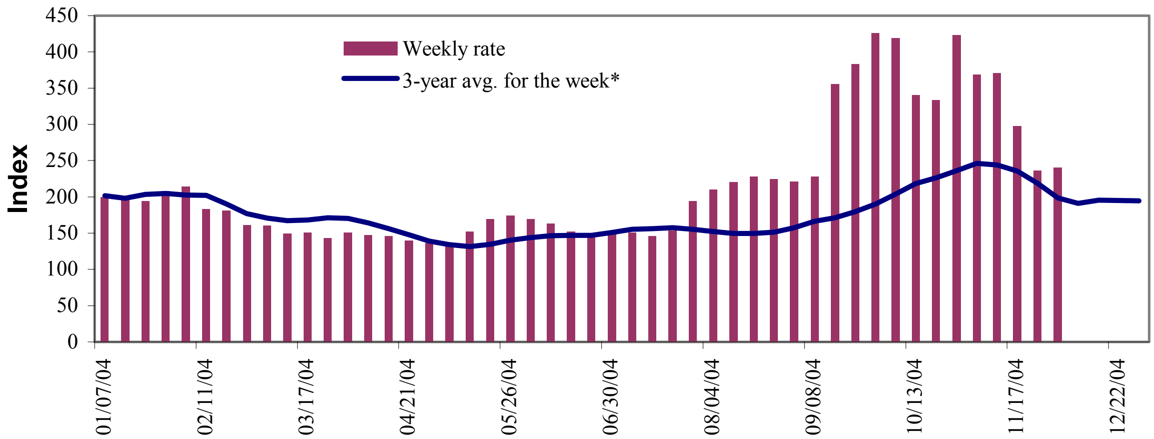
*A unit train refers to shipments of at least 52 cars. Shuttle train rates are available for qualified shipments of more than 100 cars that meet railroad efficiency requirements.

**Approximate load per car = 100 short tons: corn 56 lbs./bu., wheat & soybeans 60 lbs./bu.

Sources: www.bnsf.com, www.cpr.ca, www.csx.com, www.uprr.com

Figure 5

Illinois River barge rate index - quotes



Note: Index = percent of tariff rate; *4-week moving average

Source: Transportation & Marketing Programs/AMS/USDA

The **Illinois River barge rate index** averaged 183 percent of the **benchmark tariff rates** between 1999 and 2001, based on weekly market quotes. The **index**, along with **rate quotes** and **futures market** bids are indicators of grain transport supply and demand.

Table 8--Barge rate quotes: southbound barge freight

Location	12/1/2004	11/24/2004	Jan '04	Mar '05
Twin Cities	0	255	0	0
Mid-Mississippi	249	244	0	225
Illinois River	240	236	246	220
St. Louis	175	180	180	179
Lower Ohio	192	208	191	190
Cairo-Memphis	166	171	173	169

Index = percent of tariff, based on 1976 tariff benchmark rate

Source: Transportation & Marketing Programs/AMS/USDA

Calculating barge rate per ton:
(Index * 1976 tariff benchmark rate per ton)/100

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map (see figure 6).

Note: The Illinois barge rate is for Beardstown, IL, La Grange Lock & Dam (L&D 8).

Figure 6

Benchmark tariff rates

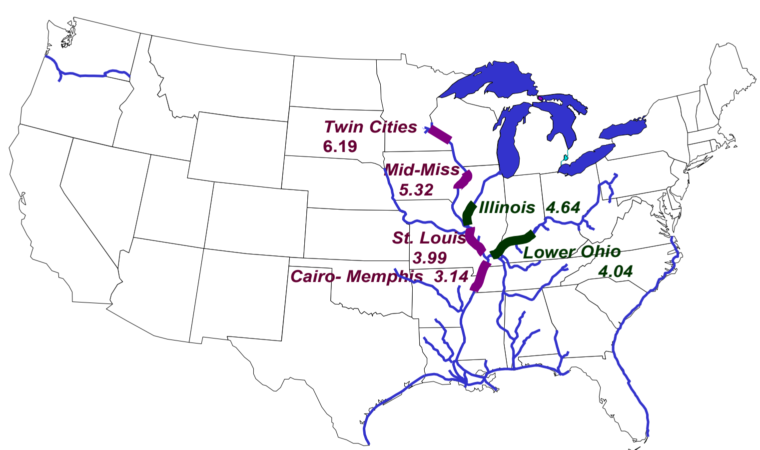
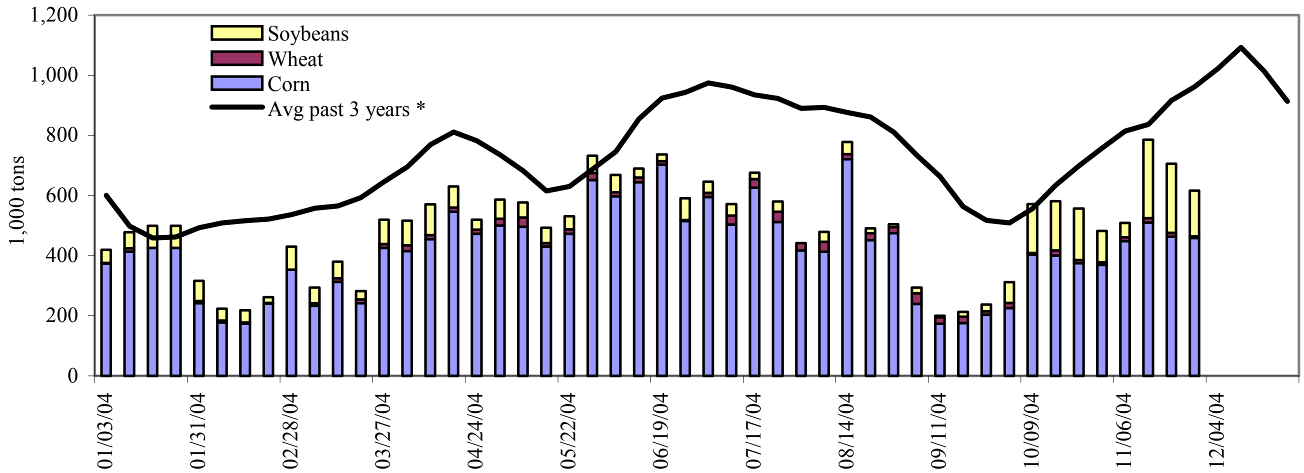


Figure 7

Barge movements on the Mississippi River (Locks 27 - Granite City, IL)



* 4-week moving average

Source: Transportation & Marketing Programs/AMS/USDA

Table 9--Barge grain movements (1,000 tons)

Week ending 11/27/2004	Corn	Wheat	Soybean	Other	Total
Mississippi River					
Rock Island, IL (L15)	225	0	41	0	267
Winfield, MO (L25)	365	0	128	0	493
Alton, IL (L26)	459	5	152	0	616
Granite City, IL (L27)	459	5	152	0	616
Illinois River (L8)	102	6	30	0	139
Ohio River (L52)	62	3	133	2	199
Arkansas River (L1)	0	8	44	0	52
2004 YTD	23,326	2,544	5,460	680	32,010
2003 YTD	26,762	2,593	8,246	634	38,236
2004 as % of 2003 YTD	87	98	66	107	84
Total 2003	29,898	2,787	9,146	695	42,526

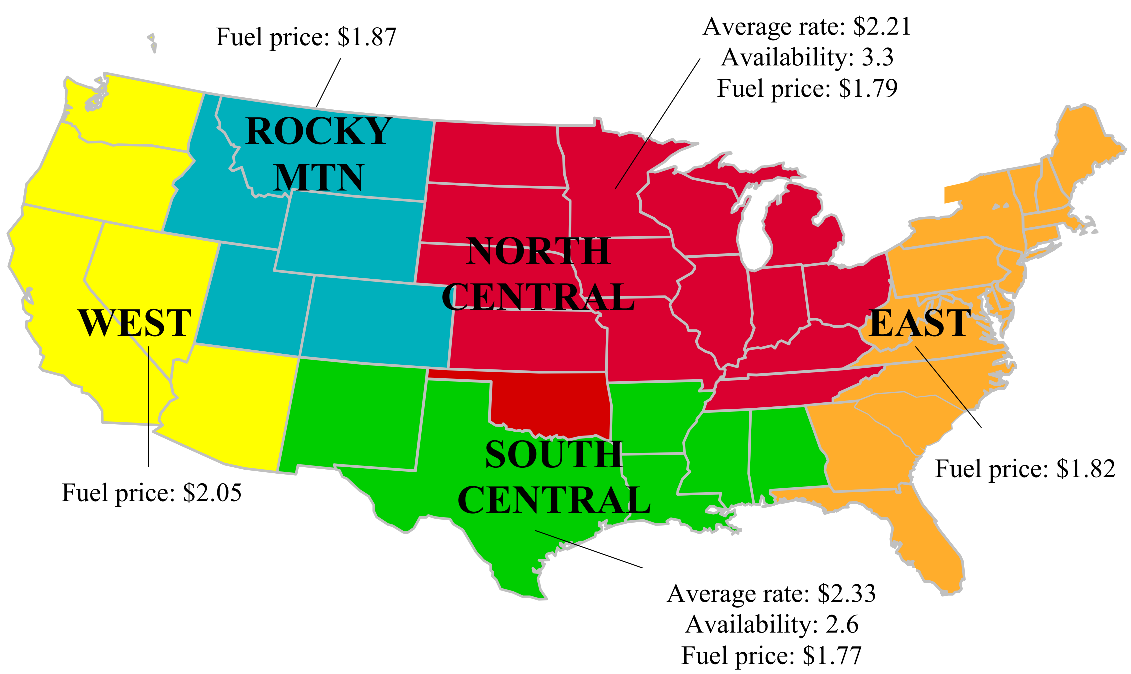
YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1. "Other" refers to oats, barley, sorghum, and rye.

Source: U.S. Army Corp of Engineers (www.mvr.usace.army.mil/mvrimi/omni/webrpts/default.asp)

Note: Total may not add exactly, due to rounding

Truck Transportation

Figure 8
U.S. grain truck market advisory, 3rd quarter 2004*



*Average rate per loaded mile, based on truck rates for trips of 25, 100, and 200 miles
Note: Fuel prices are a quarterly average (unit per gallon)
Fuel price data source: Energy Information Administration, U.S. Department of Energy, www.eia.doe.gov

Table 10--U.S. grain truck market overview, 3rd quarter 2004

Region/commodity*	25 miles	100 miles	200 miles	Truck availability	Truck activity	Future truck activity
				Rating compared to same quarter last year		
	Rate per mile			1=Very easy to 5=Very difficult	1=Much lower to 5=Much higher	
National average[1]	**2.76**	**2.12**	**1.87**	**3.1**	**3.4**	**3.2**
North Central region[2]	2.76	2.02	1.86	3.3	3.3	3.3
Corn	2.90	2.15	2.18	2.8	2.9	3.1
Wheat	2.43	1.92	1.68	3.6	3.5	3.3
Soybean	2.90	2.15	2.18	2.9	2.9	2.9
South Central region[2]	2.97	2.14	1.87	2.6	3.8	2.9
Corn	2.32	2.12	1.76	3.0	3.8	3.0
Wheat	3.07	2.05	1.81	2.7	3.8	3.0
Soybean	3.35	2.26	2.05	2.2	3.6	2.6

Rates are based on trucks with 80,000 lb weight limit
*Commodity averages based on truck rates for top producing states based on National Agricultural Statistics Service/USDA
[1]National average includes: AR, CO, IA, IL, IN, KS, LA, MN, MS, ND, NE, OH, OK, OR, SD, TX, and WA.
[2]Commodity rates per mile include the average of the top 3 producing states within the region.
Source: Transportation and Marketing Programs/AMS/USDA

The weekly **diesel price** provides a proxy for trends in U.S. truck rates. Diesel fuel is a significant expense for truck grain movements, accounting for 37 percent of the estimated variable cost.

Table 11--Retail on-highway diesel prices*, week ending 12/06/04 (US$/gallon)

			Change from	
Region	**Location**	**Price**	**Week ago**	**Year ago**
I	East Coast	2.111	-0.030	0.625
	New England	2.234	-0.024	0.628
	Central Atlantic	2.220	-0.032	0.628
	Lower Atlantic	2.053	-0.029	0.623
II	Midwest	2.033	-0.053	0.585
III	Gulf Coast	1.995	-0.058	0.564
IV	Rocky Mountain	2.124	-0.047	0.596
V	West Coast	2.181	-0.052	0.546
	California	2.225	-0.062	0.530
Total	U.S.	2.069	-0.047	0.588

*Diesel fuel prices include all taxes.

Source: Energy Information Administration/U.S. Department of Energy (www.eia.doe.gov)

Grain Exports

Table 12--U.S. export balances (1,000 metric tons)

Week ending 1/	Wheat HRW	SRW	HRS	SWW	DUR	All wheat	Corn	Soybeans	Total
11/25/2004	1,580	512	1,205	757	100	4,154	8,917	6,297	19,368
This week year ago	2,950	584	1,198	1,031	165	5,928	10,313	9,400	25,641
Cumulative exports-crop year 2/									
2004/05 YTD	4,910	2,090	4,185	2,870	312	14,367	11,067	9,834	35,268
2003/04 YTD	6,058	2,086	3,530	2,100	607	14,382	11,356	9,588	35,326
2004/05 as % of 2003/04	81	100	119	137	51	100	97	103	100
2003/04 Total	12,697	3,785	6,928	4,889	1,053	29,353	47,704	24,102	101,159
2002/03 Total	6,896	2,899	6,645	3,517	720	20,677	39,646	28,908	89,231

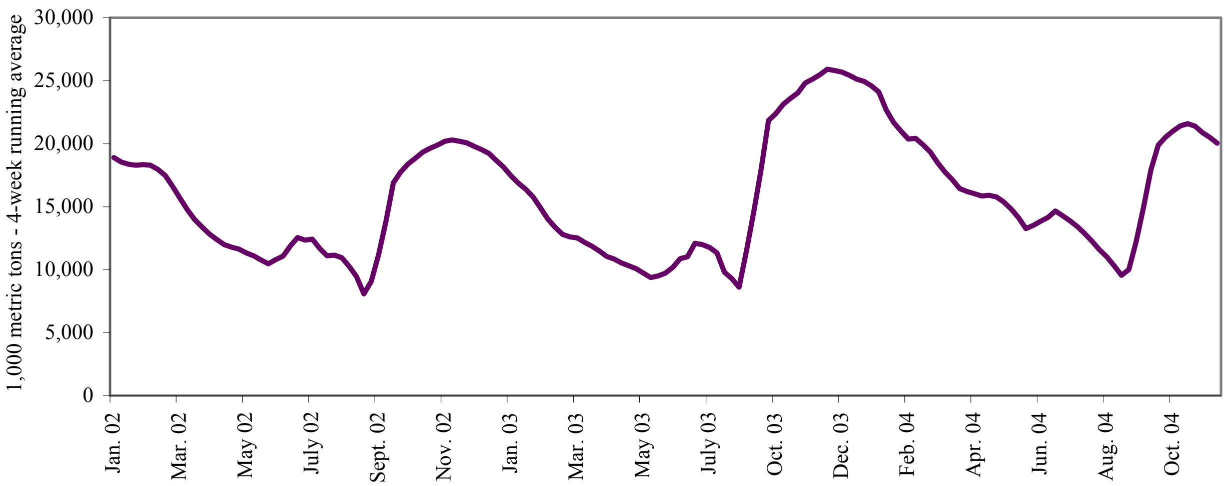
Note: YTD = year-to-date. Crop year: wheat = 6/01-5/31, corn & soybeans = 9/01-8/31, 1/ = Current outstanding unshipped export sales to date

2/ = New crop year in effect for corn and soybean sales

Source: Foreign Agricultural Service/USDA (www.fas.usda.gov)

Figure 9

U.S. grain, unshipped export balances (wheat, corn, and soybean sales)



Source: Foreign Agricultural Service/USDA (www.fas.usda.gov)

Table 13—Select U.S. port regions - grain inspections for export (1,000 metric tons)

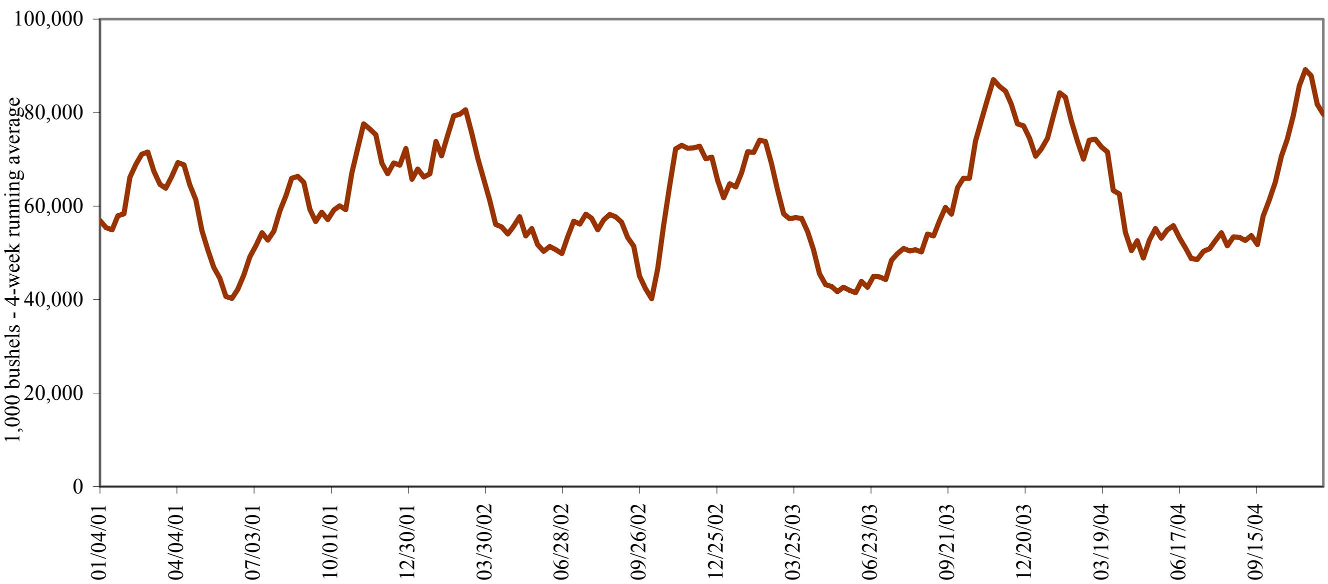
	Pacific Region			Mississippi Gulf			Texas Gulf			Port Region total		
Week ending	Wheat	Corn	Soybeans	Wheat	Corn	Soybeans	Wheat	Corn	Soybeans	Pacific	Mississippi	Texas
12/02/04	243	192	192	97	678	532	214	12	0	627	1,307	226
2004 YTD	11,377	9,086	4,165	6,786	30,466	13,315	7,607	79	18	24,628	50,567	7,705
2003 YTD	8,413	5,063	4,896	5,701	28,644	17,655	6,497	176	60	18,372	52,000	6,733
2004 as % of 2003	135	179	85	119	106	75	117	45	31	134	97	114
2003 Total	8,764	5,450	5,141	5,883	30,903	19,374	7,011	229	69	19,355	56,160	7,309

Source: Federal Grain Inspection Service/USDA (www.usda.gov/gipsa); YTD: year-to-date

The United States exports approximately one-quarter of the grain it produces. On average, it includes nearly 45 percent of U.S.-grown wheat, 35 percent of U.S.-grown soybeans, and 20 percent of the U.S.-grown corn. Over 60 percent of these U.S. export grain shipments departed through the Mississippi Gulf region in 2003.

Figure 10

U.S. grain inspected for export (wheat, corn, and soybeans)



Source: Federal Grain Inspection Service/USDA (www.usda.gov/gipsa)

Ocean Transportation

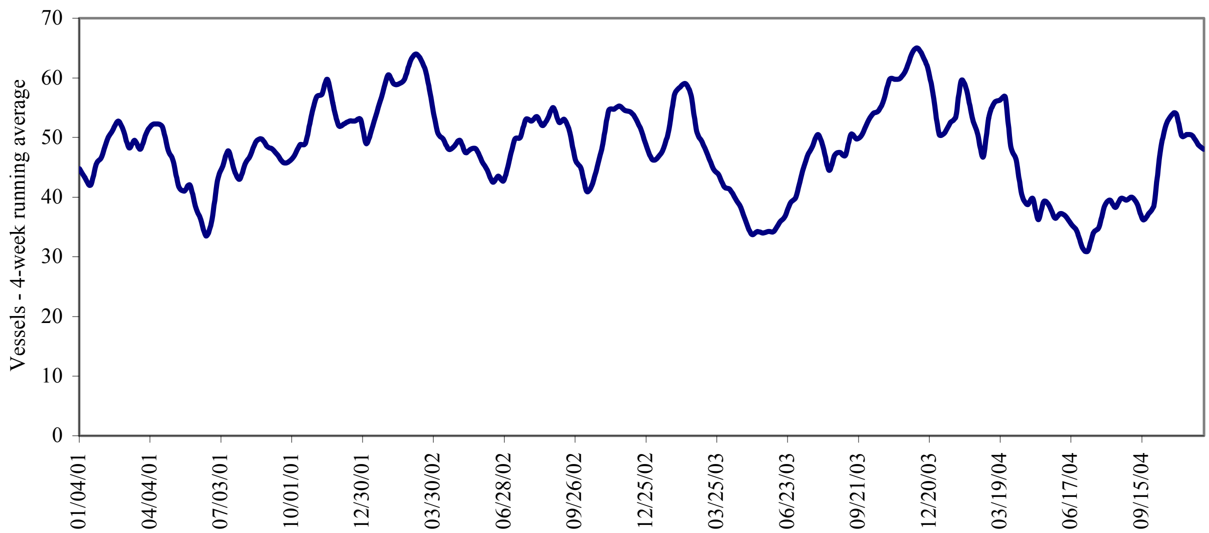
Table 14--Weekly port region grain ocean vessel activity (number of vessels)

	Gulf			**Pacific Northwest**	**Vancouver B.C.**
Date	In port	Loaded 7-days	Due next 10-days	In port	In port
12/2/2004	28	48	65	10	10
11/25/2004	35	44	65	8	16
2003 range	(11..47)	(30..76)	(39..93)	(3..13)	(1..15)
2003 avg.	31	49	62	9	6

Source: Transportation & Marketing Programs/AMS/USDA

Figure 11

Gulf Port grain vessel loading (past 7 days)



Source: Transportation & Marketing Programs/AMS/USDA

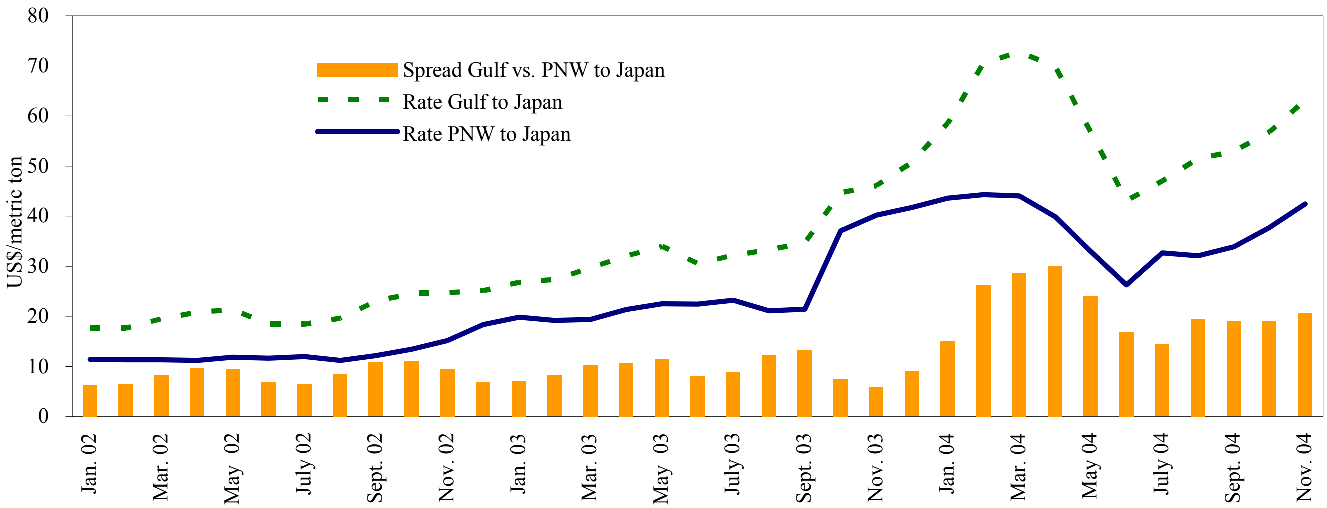
Table 15--Quarterly ocean freight rates (average rates & percentage changes) (US$/metric ton)

Countries/ regions	2004 3rd qtr	2003 3rd qtr	Percent change	Countries/ regions	2004 3rd qtr	2003 3rd qtr	Percent change
Gulf to				**Pacific NW to**			
Japan	$50.08	$33.83	48	Japan	$37.00	---	---
China	$54.00	$34.00	59				
N. Europe	---	$22.88	---	**Argentina/Brazil to**			
N. Africa	---	$25.50	---	Med. Sea	$46.92	$24.50	92
Med. Sea	---	$24.88	---	China	---	$34.75	---

Source: Maritime Research, Inc. (www.maritime-research.com)

Figure 12

Grain vessel rates, U.S. to Japan



Source: Baltic Exchange (www.balticexchange.com)

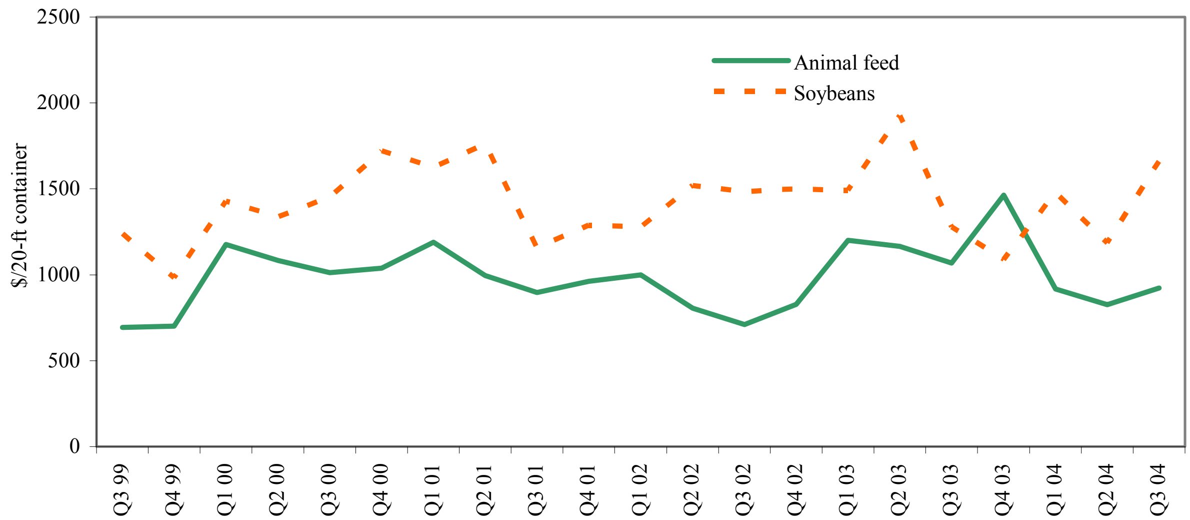
Table 16--Ocean freight rates for selected shipments, week ending 12/04/04

Export region	Import region	Grain	Month	Volume loads (metric tons)	Freight rate ($/metric ton)
U.S. Gulf	Belgium	Hvy Grain	Dec 10/17	40,000	38.00
U.S. Gulf	Japan	Hvy Grain	Nov 25/30	54,000	59.00
U.S. Gulf	China	Hvy Grain	Nov 1/10	55,000	57.50
U.S. Gulf	China	Hvy Grain	Nov 5/15	57,000	55.00
U.S. Gulf	Japan	Hvy Grain	Dec 1/10	54,000	62.50
U.S. Gulf	Tanzania*	Maize	Oct 25/Nov 4	28,100	65.00
Norfolk	Latvia*	Wheatflour	Dec 10/25	3,320	65.00

Rates shown are for metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicates; op = option
*Most food aid from the United States is required to be shipped on U.S. flag vessels. The vessels are limited in availability resulting in higher rates. In addition, destinations receiving food aid generally lack adequate port unloading facilities, requiring the vessel to remain in port for a longer duration than normal.
Source: Maritime Research Inc. (www.maritime-research.com)

Figure 13

Weighted average rates[1] for containerized shipments of animal feed and soybeans to selected Asian countries



[1]Animal Feed: Busan-Korea (15%), Kaohsiung-Taiwan (21%), Tokyo-Japan (39%), Hong Kong (22%), Bangkok-Thailand (3%) and soybeans: Busan-Korea (5%), Keelung-Taiwan (31%), Tokyo-Japan (64%)

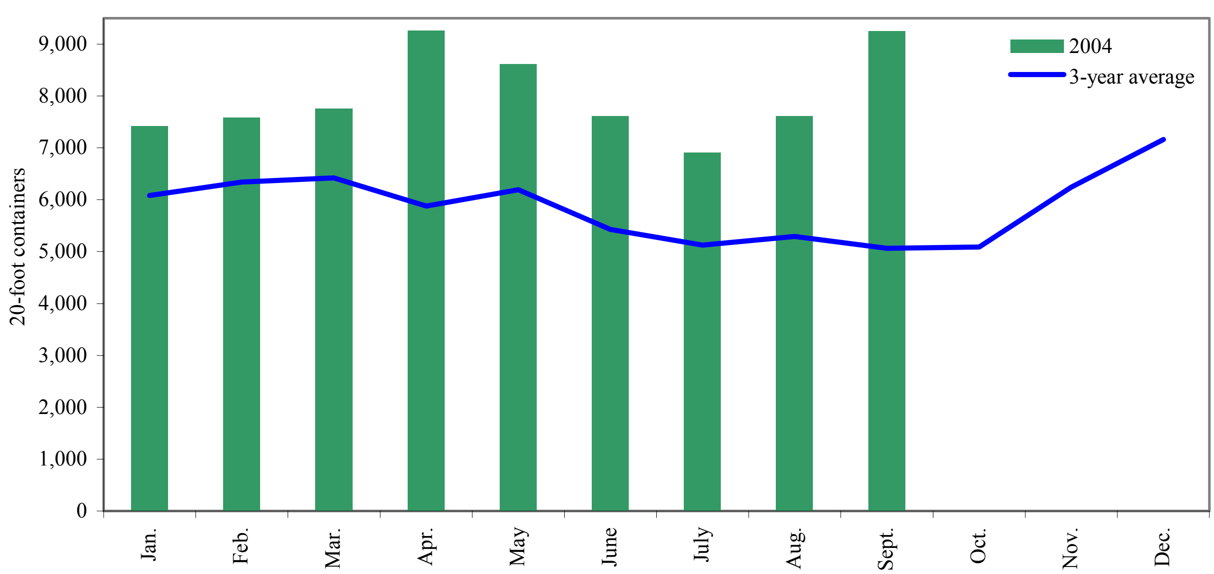
Quarter 3, 2004.

Source: Ocean Rate Bulletin, Transportation & Marketing Programs/AMS/USDA

Container ocean freight rates – average rate per twenty-foot equivalent unit (TEU) weighted by shipping line market share and trade route.

Figure 14

Monthly shipments of containerized grain for 2004 compared with a 3-year average



Note: PIERS data is available with a lag of approximately 40 days

Source: Port Import Export Reporting Service (PIERS), *Journal of Commerce*

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Related Websites

Agricultural Container Indicators	http://www.ams.usda.gov/tmd2/agci/
Ocean Rate Bulletin	http://www.ams.usda.gov/tmd/Ocean/index.asp